

Application No. 09/708,944

Atty Docket: BLFR 1000-1

**REMARKS**

Claims 1-13, 15-23, 25-33, 65-85 and 112-115 are pending. Claims 34-64 and 86-111 have been withdrawn from consideration. The Examiner rejected claims 1-13, 16-23, 25-33, 65-66, 69-81, 84, 85 and 112-115. The Examiner objected to claims 67, 68, 82 and 83 as being dependent upon rejected base claims, and indicated that these claims, if rewritten to include certain limitations, would be allowable.

The Examiner did not respond to Applicant's remarks, on the basis of new grounds for rejection.

**Request for Withdrawal of Finality**

On April 27, Applicant's counsel spoke with the Examiner about finality of this rejection. The Examiner did not have the office action available and no agreement was reached. Upon further consideration, Applicant repeats the request that finality be withdrawn.

First, as to the group of claims addressed in section 5 of the Office Action, the Melchione et al. reference does not teach the elements previously specified by amendment,

retrieving from a machine-readable memory at least one or more retail location-product specific selling profiles profile that includes accumulated corresponding to daily or more frequent historical data for at least one or more reference products product;

accessing a retail location promotions calendar that includes historical data that tracks promotion of the product at the location;

Moreover, Melchione et al. is not in the same field of endeavour, as Melichione et al. discloses a banking sales lead follow-up tool (customer relations management field), rather than a retailing sales prediction (inventory management field). Applicant should have some chance to respond to the new grounds of rejection prior to finality.

Second, as to the groups of claims addressed in part of section 5 and all of sections 6 & 7 of the Office Action, Applicant responded to the Examiner's arguments on pages 20-24 of the response dated September 7, 2004. The Examiner did not reply, but merely repeated the previous rejections, without comment on Applicant's

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responses. Applicant is entitled to a response to pages 20-24 of the September 7, 2004 response prior to finality.

Each of these grounds warrants withdrawal of finality.

**Rejection Under 35 U.S.C. § 103(a) of Claims 1-6, 10-11, 25, 65-66, 70, 72, 74, 76-79 and 112-115**

The Examiner rejects claims 1-6, 10-11, 25, 65-66, 70, 72, 74, 76-79 and 112-115 under 35 U.S.C. § 103(a) as unpatentable over Huang et al. (U.S. Patent No. 5,953,007) in view of Melchione et al. (U.S. Patent No. 5,966,695).

**Claims 1-6, 10-11, 25, 65-66, 70, 72, 74, 76-79 and 112-115**

**Claims 1-6, 10-11, 25, 65-66, 70, 72, 74, 76-79 and 112-115** include the limitations:

*(independent claim 1) retrieving from a machine-readable memory at least one retail location-product specific selling profile that includes accumulated corresponding to daily or more frequent historical data for at least one product;*

*accessing a retail location promotions calendar that includes historical data that tracks promotion of the product at the location; and*

*adjusting the historical data in the retail location-product specific selling profiles to correct for one or more promotions of the product at the retail location.*

*(independent claim 65) accessing at least one adjusted or unadjusted location specific-retail selling profile that includes accumulated daily or more frequent historical data for at least one reference product; and*

*projecting a future sales profile by adjusting the location specific-retail selling profile to reflect sales lift from one or more promotions planned for the product.*

These limitations are not found in Huang et al. in view of Melchione et al. The Examiner acknowledges that "but Huang et al fail to explicitly disclose tracking promotion of the product at a location ....accessing a retail location promotion calendar that includes historical data that tracks promotion of the product at the location."

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Melichone et al. does not supply the missing element and the Examiner's combination of references does not satisfy *In re Lee*, 277 F.3d 1338, 1342-44, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002) (discussing the importance of relying on objective evidence and making specific factual findings with respect to the motivation to combine references) or MPEP § 2143.01. The missing elements include a "*retail location-product specific selling profile that includes accumulated corresponding to daily or more frequent historical data for at least one product.*" The Examiner relies on the following passage from col. 8, lines 38-60:

40 The personal bankers receive access to the list of leads on the CCIS workstation, after the list is generated by the micromarketing center and communicated to the CCIS. The personal bankers then conduct sales sessions (e.g., telephone calls) with each of the customers on the list of leads. Before and during the sales sessions, the personal bankers use the CCIS to view a complete profile (in detail or in summary form) of the customer's relationship with the bank and any  
45 other demographic information about the customer contained on the central database. This allows the personal banker to speak intelligently with the customer during the sales session and thereby increase the success rate of the marketing campaign.  
50

55 The branch managers and bank officers, in turn, use the CCIS as a tracking and reporting management tool to automatically capture daily sales information. The branch managers and bank officers access the detailed sales transactions for each personal banker using the CCIS, and view the sales results for the various campaigns to track the performance and make adjustments in the campaigns as necessary. The branch managers and bank officers also use the CCIS to reassign leads among personal bankers and/or  
60 branches to optimize the use of marketing resources.

This passage does not supply the missing selling profile that includes accumulated corresponding to daily or more frequent historical data for at least one product.

Moreover, combining these references is improper, because telephone solicitation for intangible banking products is not the same field of endeavor as retail goods inventory management. Individual personal bankers are not either specific products or retail locations.

As presented in the response dated September 7, 2004, to which no response has been made, the Examiner's combination of references needs to satisfy *In re Lee*,

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277 F.3d 1338, 1342-44, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002) (discussing the importance of relying on objective evidence and making specific factual findings with respect to the motivation to combine references) and MPEP § 2143.01. The Examiner offers no evidence, only the conclusory speculation that combining the reference would be obvious "in order to maximize the profit of the financial institution". This is not evidence and it is not relevant to the claimed invention, which does not apply to a financial institution.

Therefore, claims 1-6, 10-11, 25, 65-66, 70, 72, 74, 76-79 and 112-115 should be allowable over Huang et al. in view of Melchione et al.

#### Claims 25

**Claim 25** is rejected on the same grounds as before, without any reply to Applicant's remarks at pages 19-20 and without addressing the amendments. The amended claim includes the limitations:

*retrieving at least one retail location-product specific selling profile that includes accumulated daily or more frequent historical data for at least one product;*

*wherein the historical data includes a stock on hand indicator, adjusting the retail location-product specific selling profile to correct for a stock out.*

These limitations are not found in Huang et al. in view of Melchione et al. The Examiner's remarks, page 3, overlook the element "*at least one retail location-product specific selling profile that includes accumulated daily or more frequent historical data for at least one product*".

Repeating the previous traversal, independent claim 25 addresses stock-outs at particular retail locations. A stock-out is when there are no goods on display for a customer to see and buy. In some instances, a stock out results from having no inventory. In other instances, too little shelf space is devoted to a popular item for it to remain on the shelf between restocking shifts. Stock outs at particular retail locations are not accounted for by Huang; nor are stock-outs resulting from restocking cycles, as distinguished from lack of inventory. In cols. 27, 60-61, 68-71, 76-77 and 83, stock-out is mentioned by Huang. Every time Huang mentions a stock-out, it is discussed as a probabilistic matter, so that probabilities can be calculated in order to reach a predicted

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service level. Using probabilities in this way avoids tracking stock outs at particular retail locations. (Recall from Huang, "[W]e do not require the data ... which represents standard deviation of demands at individual stores." Col. 69, lines 41-43.)

The additional Melchione et al. reference has nothing to do with stock-outs, as financial goods are intangible; stock-out does not apply and is not discussed.

None of the discussions of stock-outs in Huang address stock outs at particular retail locations. Accordingly, independent claim 25 should be allowable over Huang et al. in view of Melchione et al.

Claims 80-81 and 84-85

Addressing **claims 80-81 and 84-85**, the Examiner repeats his previous rejection without replying to the traversals in the September 7, 2004 response and without taking into account (or mentioning) the amendment to specify retail locations. The Examiner only applies Huang et al., which does not mention retail locations.

Repeating the previous traversal, independent claim 80, as amended, addresses adjusting retail location distribution shares to take into account actual sales results. Retail clothing, for instance, is sometimes divided into fashion and basic goods. Fashion goods change from season to season: fall, winter, spring and summer. This year's fall fashions will be out of fashion next fall. Production of fashion goods necessarily is much different from production of basic goods, such as white T-shirts. Projected sales must be used at the outset of a new fashion season, because there is no actual history. The claim calls for adjusting distribution shares of goods that go out to retail sales locations to take into account actual sales as experience is acquired. The cited columns 55-56 of Huang have nothing to do with correcting forecasts to reflect initial sales of seasonal goods. Instead, a time-series approach to determining a promotion impact-curve is disclosed. The cited columns 55-56 do not address the weighted mix of projected and actual sales limitation of claim 80.

Therefore, claim 80 and the claims that depend from it, including 81 and 84-85, should be allowable over Huang et al.

Applicant respectfully submits that claims 1-6, 10-11, 25, 65-66, 70, 72, 74, 76-79 and 112-115 should be allowable over Huang et al. in view of Melchione et al.

**Application No. 09/708,944****Atty Docket: BLFR 1000-1****Rejection Under 35 U.S.C. § 103(a) of Claims 7-9**

The Examiner rejects **claims 7-9** under 35 U.S.C. § 103(a) as unpatentable over Huang et al. (U.S. Patent No. 5,953,007) in view of Melchione et al. (U.S. Patent No. 5,966,695) and further in view of Bakalash (U.S. Patent No. 6,434,544). Although an additional reference is listed in this rejection, the Examiner does not apply it anywhere in the explanation of his rejection, which is identical to his previous rejection.

Repeating our previous traversal, to which no reply was made, Huang “fail[s] to disclose wherein the adjusting to correct for seasonal selling effects step include ratioing the references selling profiles with a general profile comprising historical data for non-promotional products.” The Examiner relies on Bakalash et al., col. 1 line 48 through col. 2 line 15, for that element. The cited passage of Bakalash et al. teaches a tool to “allow knowledge workers to intuitively, quickly and flexibly manipulate operation data” in arbitrary ways, but does not teach the claimed “ratioing the retail location-product specific selling profiles with an aggregate profile that includes historical data for non-promoted products.” As there is no teaching in either of the references to distinguish between non-seasonal or basic products (claim 8) and seasonal or fashion products (claim 9), the combination of two references cannot supply elements that cannot be found in either reference. As the claimed elements are not found in either of the references that the Examiner proposes to combine, they cannot magically appear in the combination.

In addition, the Examiner’s argument, without reference to any teaching or suggestion to combine, that one of skill would combine the references “with the motivation to project sales of the product” does not satisfy *In re Lee*, 277 F.3d 1338, 1342-44, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002) (discussing the importance of relying on objective evidence and making specific factual findings with respect to the motivation to combine references) or MPEP § 2143.01. This statement relies on the present claim as a blueprint for a very vague statement of motivation. Using the present claim as a blueprint involves impermissible reliance on hindsight. In the absence of evidence of a teaching or suggestion to combine in either of the references, Applicant specifically requests an affidavit from the Examiner of his personal knowledge

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as to what would be obvious. MPEP § 2144.03, provides guidance as to what more the Examiner must provide:

If the applicant traverses such an assertion the examiner should cite a reference in support of his or her position.

When a rejection is based on facts within the personal knowledge of the examiner, the data should be stated as specifically as possible, and the facts must be supported, when called for by the applicant, by an affidavit from the examiner. Such an affidavit is subject to contradiction or explanation by the affidavits of the applicant and other persons. See 37 CFR 1.104(d)(2).

Applicant respectfully submits that claims 7-9 should be allowable over Huang et al. in view of Melchione et al. and further in view of Bakalash.

**Rejection Under 35 U.S.C. § 103(a) of Claims 11-12, 16-23, 26-33, 69, 71, 73 and 75**

The Examiner rejects **claims 11-12, 16-23, 26-33, 69, 71, 73 and 75** under 35 U.S.C. § 103(a) as unpatentable over Huang et al. (U.S. Patent No. 5,953,007) in view of Melchione et al. (U.S. Patent No. 5,966,695). (We note that there are some discrepancies between the list of claims in the section introduction and the paragraphs that follow.)

**Claims 11-13**

**Claims 11-13** include limitations, building on claim 10, that address special selling days. Without evidence or any particular reasoning, the Examiner argues, "It would have been obvious to a person of ordinary skill in the art to special days such as Valentine Day, Mothers Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving or Christmas, and back to school days including any other special days into Huang et al with the motivation to forecast the sales of the product."

To repeat our September 7<sup>th</sup> traversal, to which no response was made, when the Examiner is further considering the Section 103 rejection, some legal principles should be kept in mind. For a single reference Section 103 rejection, the Examiner needs to provide evidence of a teaching or suggestion to extend the reference to include the claimed features that admittedly are not part of the reference. It is

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fundamental, as indicated in MPEP Section 2143.01, that the Examiner rely on some evidentiary quality suggestion to modify Huang:

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge generally available to one of ordinary skill in the art. "The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art." *In re Kotzab*, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000). See also *In re Lee*, 277 F.3d 1338, 1342-44, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002) (discussing the importance of relying on objective evidence and making specific factual findings with respect to the motivation to combine references); *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

The latest update to this section of the MPEP cites *In re Lee*, in which the Federal Circuit clarified the need for evidentiary quality support of an Examiner's factual basis for finding a teaching, suggestion or motivation in the prior art (as opposed to the Examiner's opinion), 277 F.3d at 1343-44:

As applied to the determination of patentability *vel non* when the issue is obviousness, "it is fundamental that rejections under 35 U.S.C. § 103 must be based on evidence comprehended by the language of that section." *In re Grasselli*, 713 F.2d 731, 739, 218 U.S.P.Q. (BNA) 769, 775 (Fed. Cir. 1983). ... "The factual inquiry whether to combine references must be thorough and searching." *Id.* It must be based on objective evidence of record. This precedent has been reinforced in myriad decisions, and cannot be dispensed with. [citation omitted] The need for specificity pervades this authority. See, e.g., *In re Kotzab*, 217 F.3d 1365, 1371, 55 U.S.P.Q.2D (BNA) 1313, 1317 (Fed. Cir. 2000) ("particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed"); *In re Rouffet*, 149 F.3d 1350, 1359, 47 U.S.P.Q.2D (BNA) 1453, 1459 (Fed. Cir. 1998) ("even when the level of skill in the art is high, the Board must identify specifically the principle, known to one of ordinary skill, that suggests the claimed combination. In other words, the Board must explain the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious."); *In re Fritch*, 972 F.2d 1260, 1265, 23U.S.P.Q.2D (BNA) 1780, 1783 (Fed. Cir. 1992) (the examiner can satisfy the burden of showing obviousness of the combination "only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references").



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... In its decision on Lee's patent application, the Board rejected the need for "any specific hint or suggestion in a particular reference" to support the combination of the Nortrup and Thunderchopper references. Omission of a relevant factor required by precedent is both legal error and arbitrary agency action.

The outcome of cases decided even before *In re Lee* makes it clear that real evidence is required to support an asserted teaching, suggestion or motivation to modify a single reference for obviousness. See, e.g., *In re Kotzab*, 217 F.3d 1365, 1369-70 (Fed. Cir. 2000) (rev'd finding of obviousness, as "Even when obviousness is based on a single prior art reference, there must be a showing of a suggestion or motivation to modify the teachings of that reference."); *Kolmes v. World Fibers Corp.*, 107 F.3d 1534, 1541 (Fed. Cir. 1997) (aff'd patent not invalid, as no suggestion to modify the '989 patent with regard to non-metallic fibers).

Applicant urges the Examiner to withdraw this Section 103 rejection of claims 11-13, because the single reference cited admittedly does not include all of the claimed limitations and there is no evidentiary quality support for extending the single reference.

Huang does not include any reference to special selling days, as explained above. Huang ignores or disregards this feature of retail sales and teaches a generalized mathematical approach, which is at odds with identifying and correcting for special selling days. (We cannot quite say that Huang teaches away from special days, because Huang exhibits a level of skill in the art that is better characterized as ignorance.)

In this response, Applicant specifically requests an affidavit from the Examiner of his personal knowledge as to what would be obvious. MPEP § 2144.03, provides guidance as to what more the Examiner must provide.

Applicant respectfully submits that claims 11-13 should be allowable over Huang et al.

#### Claims 16-23 and 26-33

To repeat our traversal of September 7<sup>th</sup>, to which no reply was made, the Examiner rejected claims 16-23 and 26-33 on a single reference obviousness basis, citing Huang et al. All of these claims include a stock out element that is addressed above. The Examiner acknowledges that the claimed features are not disclosed in

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Huang. The Examiner's rationale here is much too thin. The Examiner does not even identify the claimed features, referring to them only as "the recited features." There is no evidentiary quality support for extending Huang to include the claimed stock out element. As explained above, Huang teaches away from using store-specific sales data and teaches using aggregate approaches to stock outs. Therefore, Huang is not extendable, even if the Examiner were to offer some evidentiary quality support for adding a new feature to Huang.

It is unclear how the Examiner would extend Huang to reach the claimed stock out features on a store-specific basis. Further explanation is requested.

In this response, Applicant specifically requests an affidavit from the Examiner of his personal knowledge as to what would be obvious. MPEP § 2144.03, provides guidance as to what more the Examiner must provide.

Therefore, claims 16-23 and 26-33 should be allowable over Huang et al. in view of Melchione et al.

Claims 69, 71, 73 and 75

To repeat our traversal of September 7<sup>th</sup>, to which no reply was made, the Examiner rejected claims 69, 71, 73 and 75 without any written description (in the Office Action) of the claimed features. They are generically called "the recited features." In fact, the claimed features combine sales projections that take into account planned promotions with adjusting profiles for promotion starting and ending dates (69), advertising (71), preferred display (73) and reduced pricing (75). The generalized motivation "to increase sales" is very weak. It might suffice to explain why retailers use these marketing approaches, but it surely is not enough to meet the *In re Lee* standard for providing evidentiary quality support for a single reference Section 103 rejection.

Therefore, claims 69, 71, 73 and 75 should be allowable over Huang et al. in view of Melchione et al.

Applicant respectfully submits that claims 11-12, 16-23, 26-33, 69, 71, 73 and 75 should be allowable over Huang et al. in view of Melchione et al.

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**CONCLUSION**

Applicant respectfully submits that the pending claims are now in condition for allowance and thereby solicits acceptance of the claims, in light of these amendments.

The undersigned can ordinarily be reached at his office at (650) 712-0340 from 8:30 to 5:30 PST, M-F and can be reached at his cell phone (415) 902-6112 most other times.

Respectfully submitted,

Dated: 27 April 2005

  
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